

Commonwealth of Massachusetts Division of Insurance

State Library of Massachusetts
State House, Boston

An outline map of the Commonwealth of Massachusetts is positioned behind the title text. The map shows the state's coastline and the Cape Cod peninsula.

**1995
Annual Report**

MR
368M3
I59r
1995
c.1



NANCY MERRICK
SECRETARY

THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF CONSUMER AFFAIRS
DIVISION OF INSURANCE
470 Atlantic Avenue, Boston, MA 02210-2223
(617) 521-7794 FAX (617) 521-7770
TTY (617) 521-7490

LINDA RUTHARDT
COMMISSIONER, INSURANCE

May 1, 1996

To the General Court and the People of the Commonwealth:

In 1995, the Division of Insurance continued to meet its goal of being a modern, responsive, nationally accredited governmental agency overseeing the insurance industry in Massachusetts. The industry is undergoing profound and exciting change, challenging us to change and grow with it.

As you read the report, the Division's managers and I hope you will share our sense of pride in the hard work, professionalism, and diligence of the staff. They completed a tremendous amount of work in the best traditions of public service. The year's work included:

- processing over 500,000 incoming phone calls,
- conducting over 30,000 hearings,
- completing financial audits of 68 insurers,
- granting 70 new licenses to insurers,
- assisting consumers in obtaining almost \$4,000,000, and
- reviewing hundreds of policies and endorsements for compliance with state law.

The Division continued to increase its use of technology to save taxpayers money by:

- producing in house for the first time, the statutorily required brochure "Ways to Save On Your 1996 Massachusetts Automobile Insurance,"
- making available 24 hours a day by phone automation, the most commonly asked consumer questions and answers, and
- reducing the cost and average turnaround time for agent and broker licensing to less than two weeks.

The report which follows contains many more examples of the work we do on behalf of the consumers and insurance regulators of the industry. We hope you will find it informative and we welcome your comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Ruthardt", with a stylized flourish at the end.

Linda Ruthardt
Commissioner of Insurance

Consumer Service Section

The Consumer Service Section is responsible for responding to inquiries and intervening on behalf of consumers to resolve issues against insurers, agents, and brokers. The Section provides consumers with general insurance information and advises them of their rights under the provisions of their policies, state laws and regulations.

The Section's objective is to convey accurate information and advice to consumers quickly and in a helpful and understanding manner. Since 1995, the Section has included a full-time legal counsel enhancing the Section's ability to assist consumers with complex issues. The Section handles one of the highest volumes of direct service to taxpayers in state government. In 1995, the Section received 62,115 telephone calls from consumers. The staff resolved 3,806 cases, recovered \$3,963,286 for consumers and issued numerous informational letters. This recovery amount was the highest in the Division's history.

The Section maintains a log which lists each inquiry received. The log may indicate patterns of unfair, deceptive, or abusive insurance practices by an agent, broker, or insurance company. When appropriate, the information is referred to the Special Investigations Unit (SIU) for further action. When it appears that these patterns may indicate trends in the industry, they are referred to other Sections within the Division for possible legislative or regulatory action.

Consumer Service Section - 1995 Activity

Month	Contacts	Phone	Cases	Q&A	Recovery
January	6,144	5,664	411	6,062	\$177,983
February	5,330	4,877	330	4,597	\$35,895
March	5,743	5,240	341	4,840	\$38,770
April	5,132	4,726	303	4,909	\$175,787
May	6,183	5,722	356	5,600	\$317,467
June	5,581	5,164	271	4,856	\$400,340
July	5,916	5,487	309	4,628	\$156,793
August	5,349	4,957	244	6,103	\$75,737
September	5,064	4,639	300	3,760	\$100,213
October	5,770	5,311	334	5,632	\$84,460
November	5,303	4,776	337	6,479	\$187,594
December	5,997	5,552	270	5,045	\$2,212,247
1994 Total	67,512	62,115	3,806	62,511	\$3,963,286

Contacts are all phone calls, letters, and other communication with consumers received by the section.

Phone represents all phone calls received by the section.

Cases are consumer issues which are pursued by Consumer Service staff through active intervention.

Q&A represents calls to the Consumer Service Section 24 hour automated question and answer line.

Recovery is the total amount of money received by consumers as a result of intervention by the Section.

Financial Regulation & Licensing

The Financial Regulation & Licensing Section is responsible for monitoring the financial condition of insurers doing business in Massachusetts. The Financial Surveillance and Company Licensing (FSU) Unit is responsible for ensuring that only those companies that are financially sound are licensed or authorized to transact business in the Commonwealth. The annual financial statements, quarterly financial statements, and, in some cases, monthly financial statements of each company are regularly reviewed by the Financial Solvency Unit in order to identify and rectify insurance company solvency problems and abuses. The Financial Examination Unit (FEU) audits financial records of insurers domiciled in the Commonwealth on a regular basis.

In fulfilling its responsibilities, the Financial Regulation & Licensing Section reviews and processes new company licenses, renews existing licenses, processes license certifications and their appropriate fees, and notifies other agencies, such as the Department of Revenue, the Registry of Motor Vehicles, the Department of Industrial Accidents, the Commonwealth Automobile Reinsurers (CAR), and the guaranty funds, of company name and address changes and changes in license status due to financial integrity. The statutory requirement for insurer examinations is every five years, two years for HMOs and three years for Blue Cross Blue Shield. The FEU may conduct an examination of an insurer on a more frequent basis as need arises.

During 1995, the Division completed a total of 26 financial examinations of life and property/casualty insurers and 5 self insured groups. The companies have \$1.5 billion in premium nationwide, including over \$1.2 billion in premium in Massachusetts. Additionally, 14 insurer financial examinations were in process at year's end representing \$15.0 billion in premium nationwide and \$6.0 billion in premium in Massachusetts. The Division performed 37 fraternal benefit society examinations as well.

The Division collected \$8.8 million in surplus line premium tax income, which represents a one million dollar increase over 1994.

1995 was a very active year for Company Licensing with over 140 submissions received and 70 approvals issued.

The Financial Regulation & Licensing Section is also the Division's liaison with the National Association of Insurance Commissioners (NAIC) financial surveillance and examination systems and communicates with them regularly via a computer database.

Office of the General Counsel

The Office of the General Counsel (OGC) provides legal service, advice and assistance to the Commissioner, all other sections of the Division, legislators, other state agencies, consumers and the insurance industry. Staff attorneys also represent the Division in administrative hearings and are designated by the Commissioner as hearing officers for both rule making and adjudicatory hearings. The OGC also drafts advisory opinions, bulletins, and regulations concerning the interpretation and implementation of the insurance laws.

The Division continued implementation of legislation passed in 1993 for accreditation by the National Association of Insurance Commissioners. That legislation introduced new insurance regulatory laws, and enhanced existing laws; the result has been increased regulatory responsibility for the Division, as an agency, and additional responsibilities for the OGC in particular.

Impressive results were achieved in the enforcement area as efforts continued to expand into statutory compliance actions against companies while staff attorneys maintained their focus on the efficient resolution of agent and broker licensing actions. Significant energy was also devoted to the administration of the various pending receiverships, as well as to the various residual market mechanisms for which the Division has oversight authority.

The OGC continued to work very closely with the Financial Surveillance and Company Licensing section on several insurance company transactions - several involving change of ownership - including two mergers, a redomestication, and surplus note offerings. The OGC has also provided significant assistance on health insurance issues, including mergers of health maintenance organizations and development of various regulations and bulletins. Legal issues pertaining to private passenger auto insurance took center stage, especially in the last quarter of the year, as insurers sought ways to compete for market share within the statutory framework that governs auto insurance in Massachusetts. Finally, the OGC provided support to the Superintendent of Financial Services during the preparation and implementation of the report of the Financial Services Advisory Committee to the Secretary of Consumer Affairs.

Special Investigations Unit

The Special Investigations Unit (SIU), a subdivision of the Office of the General Counsel, investigates allegations of misconduct and wrongdoing by agents, brokers, advisors, adjusters, and insurance companies licensed by the Division. The SIU serves as the Division's watchdog against consumer fraud and abuse in the insurance marketplace. Its director and investigators carefully monitor the information received by the Division and follow up, as appropriate, on information received by the Consumer Section and other units within the Division. The unit also investigates complaints it receives directly from consumers, other licensees, the general public, and other state and federal investigatory agencies.

The SIU works closely with enforcement counsel in the Office of the General Counsel who prosecute matters developed by the SIU. Enforcement actions take a variety of forms including letters of reprimand, cease and desist orders, negotiated settlements, or a full show-cause hearing resulting in the imposition of a civil fine and/or license sanction. Criminal fraud and other criminal violations are referred to the appropriate authority for prosecution.

In addition to its carry-over caseload from 1994, the SIU opened 259 cases. Approximately 237 cases were closed in 1995, representing nearly \$500,000 in total payments by licensees, in addition to significant payment of restitution to Massachusetts consumers. The SIU intends to increase its presence in the market for 1996, and continue to aggressively investigate violations of the insurance laws of the Commonwealth.

Agents and Brokers Licensing

The Agents and Brokers Licensing Section is charged with issuing licenses to qualified individuals, corporations, and partnerships as agents, brokers, advisors, and public fire loss adjusters. The section's responsibilities include monitoring applicants and licensees for compliance, maintaining of the licensing database and responding to hundreds of licensing inquiries regarding Massachusetts laws and regulations received daily.

The 1995 processing time for new agent licenses, from receipt of application to approval of the license, was less than two weeks. Agent licenses are effective from the date of issue until June 30th of each year, when the license is renewed by the sponsoring company. Broker applications were also reviewed and processed within ten days of their receipt. Individuals broker licenses are effective for three years from the date of issue. Brokers are responsible for renewal of their licenses. Organizational broker licenses are effective for one year from their dates of issue. The organizations are responsible for renewal of their licenses.

The Agents and Brokers Licensing Section generated substantial revenue for the Commonwealth in 1995. New agent licenses and agent license renewals generated a total of \$6,120,785. New broker licenses and broker renewals generated a total of \$990,953.

The State Rating Bureau supplied support for the continuing education program throughout the year.



Hearings & Appeals

The Commissioner of Insurance, as administrator of the insurance laws, hears and rules on a broad spectrum of insurance issues. This role includes approving insurance rates, adjudicating actions taken by the Division against its licensees, hearing appeals from decisions of the residual market entities which are overseen by the Commissioner, and holding hearings on regulatory matters. Administrative proceedings range widely in complexity, and raise public policy issues of concern to both the general public and the business community. Some, especially state-wide rate cases, require analysis of highly technical information. Enforcement actions and appeals by licensees may be hotly contested and raise significant substantive, procedural and evidentiary issues. Hearings and Appeals staff, who conduct most of these hearings, are responsible for expeditiously scheduling cases, conducting fair hearings, managing disputed cases effectively, and issuing consistent, well-reasoned, and legally sound decisions.

Decisions in rate cases may significantly affect the Massachusetts economy, and command a major portion of the Hearings and Appeals resources. These cases have at stake hundreds of millions of dollars, directly affect both insurers and policyholders, and require careful balancing of the short and long-term interests of consumers, and the right of the regulated industry to receive a fair return so it can continue to provide service. In 1995, hearings were held on private passenger automobile insurance rates and applications to deviate from those rates, Medicare supplement insurance rates, and Blue Cross and Blue Shield nongroup insurance rates. Legislation enacted in 1994 established new procedures for reviewing requests to increase Medicare Supplement Insurance rates, and in 1995 Hearings and Appeals conducted hearings on applications from 13 insurers. Immediately after issuance of the decision on 1996 private passenger automobile rates, which decreased statewide average rates 4.5%, insurers began to file requests to deviate from those rates. In all, 25 rate cases were resolved in 1995.

A second important focus of Hearings and Appeals is public protection. During 1995, nine enforcement actions against Division licensees were filed by the Division, and five appeals were taken from Division licensing actions. Seventeen cases were resolved by decision or agreement. All cases presented for decision resulted in sanctions against the licensee, including license revocations, fines, and cease and desist orders.

Appeals from decisions of the administrators of the various residual markets, Commonwealth Automobile Reinsurers (CAR), the Workers Compensation Rating and Inspection Bureau, and the Massachusetts Property Insurance Underwriting Association (FAIR Plan), constitute another important segment of the Hearings and Appeals workload. Individuals, businesses, and insurance companies may, by statute, appeal to the Commissioner from an adverse decision of these entities. The Board of Review in Insurance, consisting of designees of the Commissioner, the Attorney General and the applicable Board of Registration, hears petitions brought against medical or dental service corporations. The administrative hearing process offers a flexible alternative to litigation which may be less costly for participants, and which allows them to benefit from the Division staff's expertise. It also gives the Commissioner a means of detecting problems in the operation of these residual markets, so that corrective action can be taken. In 1995, 34 such appeals and two petitions were filed, and 52 matters were resolved.

Additionally, in 1995, hearings were conducted on promulgation of new, or deletion of old, insurance regulations and on various matters relating to financial control and structure of domestic insurers. Thirteen regulatory or informational matters, and five cases relating to change of financial control and structure were filed this year.

The Commissioner's decisions may be appealed to the Superior Court, or in some cases, directly to the Supreme Judicial Court. In 1995, the Supreme Judicial court upheld in its entirety the Commissioner's Decision on 1995 private passenger automobile rates, and remanded to the Commissioner the decision on Blue Cross and Blue Shield Medex rates. The Superior Court, in three appeals arising out of actions taken by CAR, uniformly upheld the Commissioner's decisions.

Finally, Hearings and Appeals also maintains all official agency records of these cases, and ensures prompt public access to those records. During the past year Hearings and Appeals has improved the system for public access to those records, while maintaining reasonable precautions to ensure their security.

Medical Malpractice Analysis Bureau

The Medical Malpractice Analysis Bureau was created in 1986 as part of the Medical Malpractice Reform Law, St. 1986, c. 351, and its mandate reaffirmed by St. 1994, c. 330, §10 (the "1994 Reform Law"). The Bureau, by statute, collects and analyzes data, and advises the Commissioner on requests filed by medical malpractice insurers for changes in risk classifications, premiums and rates.

Effective in 1995, the Medical Malpractice Joint Underwriting Association was statutorily converted to the Medical Professional Mutual Insurance Company, now known as ProMutual. The Bureau will review a Plan of Operation of its replacement as a residual market, the Massachusetts Medical Malpractice Reinsurance Plan, once it is formally submitted.

Considerable effort this year was focused on resolving outstanding matters, and organizing the records of the Bureau to facilitate public access to them.

Board of Appeal on Motor Vehicle Liability Policies and Bonds

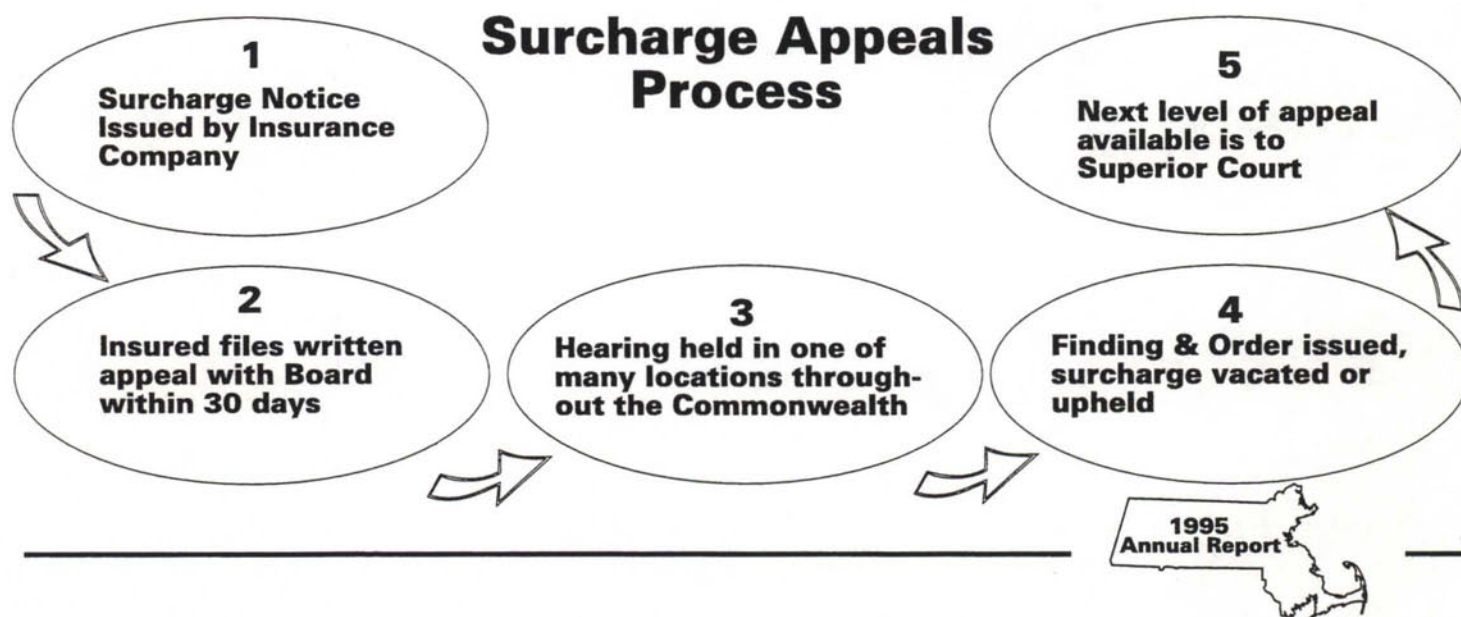
The Board of Appeal was established by statute (M.G.L. chapters 26 § 8A) to conduct appeals relative to surcharges applied in accordance with the Safe Driver Insurance Plan (SDIP) (M.G.L. c 175§ 113B&P), decisions of the Registrar of Motor Vehicles (M.G.L.c 90§ 28) and automobile insurance cancellations (M.G.L.c175 §113D).

In 1995 the Board received:

- 31,636 appeals on SDIP surcharges generating revenue of \$790,900,
- 4,016 appeals on Registry of Motor Vehicle actions generating revenue of \$100,400, and.
- 186 appeals on automobile insurance cancellations.

The Safe Driver Insurance Plan requires that when there is a claim payment of over \$500 for collision, limited collision, or damage to someone else's property the insurance company must determine whether their insured is at fault in excess of 50% by applying the Standards of Fault (211 C.M.R. 74.00), a regulation promulgated by the Division. The insured then receives a Surcharge Notice. This Notice was redesigned in 1995 to help insureds better understand the appeals process and to make it easier to appeal in writing. The appeal form contains the reason the surcharge was issued and easy to follow instructions. The appeal form has been restructured to make providing information about the accident easier and more complete. This also makes it easier for an appellant to have their appeal processed without having to physically appear before the board. Following the hearing, a Finding and Order (decision) is sent to appellants and to their insurance company. The Merit Rating Board's records are then updated to reflect the Board's decision. In 1992 there was a backlog of appeals of approximately 22 months. By the end of 1995, it stood at 6 months or less in most geographic areas.

The Board also hears appeals for automobile insurance cancellations, nonpayment of premium and actions of the Registrar of Motor Vehicles such as license suspensions. The Board's decisions can be appealed to Superior Court.



State Rating Bureau

The State Rating Bureau (SRB) serves as the consumer advocate in hearings on appropriateness of rates filed by auto, workers' compensation and health insurance carriers, including Blue Cross and Blue Shield (BCBS). The SRB is staffed by professionally qualified actuaries and mathematicians, policy review analysts, researchers, attorneys and support staff. The SRB also reviews life, health (including Medicare Supplement), property, and liability insurance policies and rates, as well as HMO and PPA applications, for compliance with applicable laws and regulations. The SRB provides technical advice to the Commissioner on the oversight of the auto, workers' compensation, health, and other insurance markets.

In the course of carrying out its responsibilities in 1995, the SRB:

Automobile - Private Passenger

- Negotiated settlement of cost containment portion of the case on 1996 auto rates, resulting in direct savings to consumers of approximately \$12 million. Negotiated settlement of underwriting profit portion of the case on 1996 rates, resulting in savings of approximately \$80 million.
- Litigated loss and expense portion of the case on 1996 auto rates, resulting in a savings of approximately \$220 million. Total savings to consumers from 1996 auto cost containment, profit, and loss and expense rate proceedings equaled approximately \$312 million.
- Reviewed AIB's Safe Driver Insurance Plan reconciliation, insolvency assessment, relativities, discounts, and motorcycle filings for 1996 rates.
- Approved 1,178 group auto marketing applications with deviations from the 1995 fixed rates ranging from -3% to -15% pursuant to M.G.L.c.175 §193R.

Workers' Compensation

- Litigated and then settled workers' compensation insurance rate case, resulting in 16.5% reduction in rates for 1995. This decrease produced total savings for Massachusetts employers in 1995 of over \$200 million.
- Under the provisions of the state's new performance standards for carriers servicing assigned risk pool business, the SRB oversaw evaluations of each servicing carrier by a national actuarial firm, and adjusted carrier fees based on results of these audits.
- Oversaw the redistribution of assigned risk business among new and continuing servicing carriers and Voluntary Direct Assignment carriers.

- Completed joint study with the Rate Setting Commission on method of reimbursement for ambulatory surgery for workers' compensation recipients and submitted findings to Legislature.
- Completed technical review of numerous workers' compensation rate and form filings, e.g., retrospective rating plan parameter filings, large deductible filings, and excess filings. Reviewed numerous company rate deviation filings for compliance with relevant law; approved reductions resulting in significant savings to Massachusetts employers.
- In 1995, there were 33 licensed self-insured groups; two of these ceased operations effective December 31, 1995, reducing the total to 31. During 1995, no new SIG applications were accepted or rejected; one is pending. On December 31, 1995, approximately 2,500 employers participated in self-insured groups. Self-Insured Groups have an estimated \$110 million dollars in annual premium.

Health

- Reviewed policy forms for non-employer group and HMO Medicare products to be sold to seniors as of January 1, 1996. Litigated rate hearings on Medicare Supplement insurance filings submitted by several commercial insurers and HMOs. Developed a consumer guide to Medicare in Massachusetts including a shopper's list of all approved plans and product features.
- Approved the HMO license for Tufts of New England and approved service area expansions for several HMOs.
- Developed a comprehensive report of long-term care insurance from survey data collected from all carriers participating in the Massachusetts market. Responded to hundreds of consumer and insurer inquiries concerning small-group, Medicare supplement, long-term care and managed care insurance.

Medical Malpractice

- Reviewed ProMutual's managed care, home health care, directors and officers liability, and other form, rate, and dividend filings.
- Reviewed drafts of Plan of Operation of new medical malpractice insurance residual market mechanism.

Policy Form And Rate Review

- Completed the review of 8,046 rate and form filings, of which 2,320 were life insurance filings, 326 were health insurance filings, and 5,400 were property and casualty filings.
- Assisted the legislature in its review of property insurance legislation and issues, and continued its implementation of the lead liability insurance regulation.
- Reviewed 147 commercial automobile rate, rule and rating plan filings, with the majority approved as filed or after amendment. The SRB also reviewed and approved 396 homeowners insurance 193R group marketing deviations from filed 1995 rates. The deviations ranged from -5% to -40%.

Automobile Damage Appraiser Board

The Automobile Damage Appraiser Licensing Board is responsible for the regulation of motor vehicle damage appraisers in Massachusetts. Four of the five Board Members are appointed by the Governor. The fifth member is appointed by the Commissioner and serves as the Board's Chair. The Board institutes and maintains minimum standards for the conduct of motor vehicle damage appraisers. It conducts licensing examinations, issues and renews appraisers' licenses, and processes applications. Its members are empowered to revoke, cancel, and suspend licenses following a hearing process that may result from complaints that are brought before the Board. In addition, the Board sets licensing eligibility requirements, approves training programs, and establishes license revocation guidelines.

In 1995, the Board and staff renewed 4,711 appraiser licenses, issued approximately 126 new licenses and no licenses were suspended or revoked. As of December 31, 1995, there were approximately 4,767 licensed Motor Vehicle Damage Appraisers in Massachusetts.

Management Information Systems (MIS)

Management Information Systems is committed to the utilization of modern information technology to increase efficiency and productivity. In 1995, MIS implemented the first electronic transfer of data from a "retail lockbox" to a DOI database. This process eliminated data entry through Optical Character Recognition (OCR) technology.

Also, MIS developed in-house training curriculum on numerous software applications and provided technical support for the day to day operation of the Division's local area network, computers and peripherals.

In addition, MIS maintains and services an advanced telecommunication system which processes over a half million incoming calls per year. MIS enhanced the system's capabilities allowing consumers to access an automated voice library of commonly asked insurance questions, 24 hours a day, seven days per week. Other advancements MIS made to the system include a feature to service Consumers in the Western part of Massachusetts by allowing their calls to be forwarded directly to the Boston office; and a teletype (TTY) system for use by the hearing impaired.

Administration

Working closely with the Office of the Chief of Staff and the Administrative Services Unit of the Executive Office of Consumer Affairs, the Administration Section is responsible for a variety of functions relating to the internal operations of the Division of Insurance. Its focus is to provide personnel and fiscal support to the agency's various departments through the administration of the spending and hiring plans, procurement, accounting and general operational services, such as mail and courier service.

During FY'95, the unit collected \$31,986,993.33 in revenue and administered a budget of \$8.1 million. A major accomplishment for the accounting staff was their success in automating the billing of the domestic insurance company examinations via BARS, the Commonwealth's automated billing system and the automation of the related revenue collection via a lockbox system. The result has been more professional and efficient invoicing and quicker revenue collection.

The most challenging undertaking for the Administration staff in FY'95 was the Lead Paint Surcharge Collection Project, a key Legislative initiative spearheaded by the Department of Public Health, part of which was coordinated by the Agent and Broker Licensing and the MIS staffs at the Division of Insurance. The Administration employees played a critical support role during the final stages of the project by responding to many unexpected challenges which developed in the accounts billable and accounts receivable areas. Most notable was the Section's creation of a precise audit trail system which would ensure an accurate account of over 14,000 invoices and thousands of refund documents.

Employee recruitment and hiring continued to be a major function of the unit during the year. In addition, the section coordinated employee evaluation programs, human resource development training, and management seminars.

Insurance Related Acts & Resolves and Regulations

Statutes

Chapter 63

Clarifies both the methodology for determining the entitlement of dentists to a dividend under their medical malpractice policies and the timing of its payment.

Signed by the Governor July 12, 1995.

Chapter 111

Allows the Massachusetts Employers Insurance Exchange to convert from a reciprocal insurance exchange to a mutual insurance company.

Signed by the Governor August 16, 1995.

Chapter 120

Study will be conducted by the Rate Setting Commission and the State Rating Bureau on reimbursement methodologies used by insurers to reimburse providers of ambulatory surgery services provided to injured workers.

Signed by the Governor August 24, 1995.

Chapter 218

Coverage shall be provided for minimum of forty-eight hours of in-patient care following a vaginal delivery and a minimum of ninety-six hours of in-patient care following a cesarean section for a mother and her newly born child.

Signed by the Governor November 21, 1995.

Regulation

211 CMR 6.00

Repealed an outdated regulation relative to the authority contained in M.G.L. c. 174A, § 6(c). The Commissioner of Insurance suspended the filing requirement of M.G.L. c. 174A with respect to excess of loss coverage because these rates cannot be practicably filed before they are used.

Bulletins

95-01

Three new mandated health benefits: blood-glucose monitoring strips (St. 1994, c.60, § 141, 145, 147 and 150); hospice services (St. 1994, c.284); and services provided by nurse practitioners, along with services provided by certified registered nurse anesthetists (CRNAs) (St. 1994, c. 302).

95-02

This bulletin summarizes some of the major components of 1994 P.S. 103-432 that affect Medicare Supplemental Insurance in Massachusetts, as well as the relationship between certain components and reform measures that have been implemented under 211 CMR 69.00.

95-03

Pending.

95-04

Requires surcharge notices for at-fault automobile accidents to include the applicable standard of fault code number followed by the explanation in its entirety. This will insure a clear and complete notice of the specific standard being applied to the at-fault accident. 211 CMR 74.00; M.G.L. c. 26 § 8A & M.G.L. c. 175 § 113P.

95-05

Several laws have been enacted which mandate certain drug coverage for the treatment of HIV/AIDs: St. 1994, c. 60 §§ 142, 144, 146, and 149 which added M.G.L. c. 175, §§ 47O and 47P; M.G.L. c. 176A, § 8O; M.G.L. c. 176B, § 4P and; G.L. c. 176G § 4G.

95-06

Pending.

Insurance Related Bulletins

Bulletins *Continued*

95-07

Coverage for assisted living residences in individual long-term care insurance policies. The benefits will be reviewed according to the definitions included in St. 1994, c.354 and 651 CMR 12.00, M.G.L. c. 19D.

95-08

Amends 211 CMR 37.00, the new Infertility Mandated Benefits Regulation, to include two new non-experimental infertility procedures: Intracytoplasmic Sperm Injection ((CSI) for the treatment of male factor infertility (211 CMR 37.05(5)); and Zygote Intrafallopian Transfer (ZIFT) (211 CMR 37.05(6)).

95-09

Extending the expiration date of the state law regulating Inherited Diseases of Amino Acids and Organic Acids. M.G.L. c.c. 175 § 47I; 176 § 8L; 176B § 4D and 176G § 4D.

95-10

The Division is required to review the combined experience of all insurers for the motor vehicle dealers class of business, and compute the appropriate rates for credit life and credit accident and health insurance sold through automobile dealers, for policies issued or renewed, commencing on January 1, 1996 through December 31, 1998. M.G.L. c. 175 § 117C (F)(2).

95-11

1995 Guide to Health Insurance For People with Medicare, 211 CMR 40.19, 211 CMR 41.18, 211 CMR 42.26, and 211 CMR 69.13(2)(d).

95-12

This bulletin clarifies the Division's position on M.G.L. c. 176D, § 3B added by St. 1994, c. 60, § 148, the so-called "Pharmacy Freedom of Choice-Any Willing Provider" statute.

95-13

Blood-Glucose Monitoring Strips: Amendment of Statute. St. 1995, c. 38, § 157, effective July 1, 1995, amends the law by inserting the words "individual or" after the word "Any" in the statute. Therefore, HMOs are reminded that coverage for blood-glucose strips is to be provided in both individual and group contracts.

